

21 October 1974

MEMORANDUM FOR THE RECORD

SUBJECT: Current and Recommended Small Purchases Branch Activity

1. The purpose of this report is to attempt to high-light significant differences between the former Special Projects Branch and the new Small Purchases Branch; the latter being in existence approximately 60 days.
2. Using Special Projects Branch Fiscal Year 1972 figures, the monthly average statistical data was as follows: Overseas requisitions 105, diversions 242, for a total of 347; Line items from overseas 501 and diversions 564 for a total of 1065; shipments consisted of pouch/air parcel post 263, cargo 59 and locals 211 for a total of 531; line items shipped pouch/air parcel post 622, cargo 177, and local 382 for a total of 1181. The monthly average dollar value was \$35,920.
3. Similar figures for the month of September 1974 for the new Small Purchases Branch indicated 151 direct requisitions and 317 diversions for a total of 468 comprising 818 direct line items and 1391 diversions for a total of 2209. The various types of shipments made during the month of September totalled 334 with a dollar value of \$34,827. Note Line Item Statistical Figures are not maintained.
4. It can be readily seen that, at this point, the number of requisitions and line items received for action by the new activity are considerably greater than those for the old unit. Shipment figures for the new unit, in being only one month, would be smaller number than those for the predecessor Branch. However, it is interesting to note that the dollar value for out going shipments for both activities was relatively close.
5. As each day goes by, workload within the Small Purchases Branch continues to grow, not only from a statistical standpoint of requisitions and line items received for procurement, but due to the large quantities requested for individual units plus numerous individual line item and single order requests of \$1500 or more. As of 21 October 1974, we have submitted six accountings, with a total dollar expenditure of \$85,389. We do not look for any decrease in this area of our responsibilities but expect expenditures to increase.

6. The Small Purchases Branch was established with a Chief/Procurement Officer, another Procurement Officer, a Procurement Assistant and two Supply Assistants. Since its activation, personnel within the unit have been cross-trained to meet peak work situations in all areas. One of the Supply Assistants is intended to fulfill the role of Administrative Assistant; the Branch Chief is expected to fulfill the management functions, assist in follow-ups and control a \$40,000 imprest fund; one Supply Assistant fulfills the role of packer which leaves only two persons to make contact with vendors in the Procurement process. It should be readily observed that this number of personnel cannot possibly meet the volume of requirements directed to the Branch for action. The Chief, [REDACTED], has provided an additional temporary employee, when the work load in other areas permit, to assist us in placing orders with vendors, and the secretarial services of a part-time employee to assist us in the administrative functions. Without this help, we would probably flounder or be hopelessly backlogged. Even with these additional persons, we are unable to adequately follow-up on outstanding procurement actions. Part of our problem stems from the fact that many overseas activities do not appreciate or even know the scope and limitations of our authorities. Many large expenditures are being made on a daily basis thereby requiring frequent submissions of accountings to the Office of Finance to maintain adequate funds on hand at all times, and the 30 day time frame for completion of actions which in many instances proves to be unrealistic and cannot be met because of the nature and eventual source of the materiel.

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7. I consider myself extremely fortunate in that I have working with me a groups of employees who are enthusiastic about their assignments. For what its worth, there are many others within the [REDACTED] complex who have approached me about becoming a part of this function.

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8. I firmly believe that the number of personnel assigned to Small Purchases Branch be expanded both to increase its capabilities in all respects. This particular function not only relieves the work load in many areas of the Office of Logistics but within the Office of Finance as well. In the eyes of local vendors with whom the Branch does business our image is outstanding and we get exceptional services if for no other reason than that we pay upon delivery which of course pleases the vendor. Although we have been in operation only approximately two months it appears as though we are providing the kind of service the Office of Logistics customers desires as we have received few complaints. These considerations alone support expansion and greater use of an activity such as the Small Purchases Branch.

9. It is extremely difficult to adequately compare the current

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Small Purchases Branch with the former Special Projects Branch as the latter handled requirements unusually small in size and quantity and on a quick reaction basis. On the other hand, the current Small Purchases Branch handles just about any type of item; provided the unit cost is \$200 or less, a line item does not exceed \$2500 or a single order with a vendor does not exceed that amount. One of the major considerations with regards to our current work load is that we also service the FE area whereas our predecessor did not.

10. I strongly recommend that every effort be made to utilize the services of the Small Purchases Branch to the maximum extent possible in the interest of processing procurement requests promptly, packaging and shipping large quantities of materiel expeditiously, making payment for materiel immediately upon receipt and fulfilling the mission of the Office of Logistics in a more efficient and commendable manner.

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ADDENDUM:

We have recently been informed that on or about 11 November we will receive an additional permanent employee to assist us in placing requirements with vendors. This addition will greatly strengthen our capability in that aspect of our operations. However, the continued temporary assignment of a part-time secretary/administrative assistant on a four hour basis leaves us in a weakened position in accomplishing many of the Branch administrative functions. It is hoped that as the work volume of the Branch increases and a greater appreciation at higher management levels of the Branch's potential benefit to the Office of Logistics, the assignment of additional personnel will be forthcoming.

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